

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

ENERGY DIVISION

RESOLUTION E-3873

July 8, 2004

R E S O L U T I O N

Resolution E-3873. San Diego Gas & Electric Company requests approval of its Low Income Energy Efficiency funding for assistance with Cool Zone Centers.

Request Granted as Modified.

By Advice Letter 1584-E Filed on April 9, 2004.

SUMMARY

This Resolution rejects San Diego Gas & Electric's (SDG&E) request for funding of its Cool Center Program (CC Program) under the Low Income Energy Efficiency (LIEE) Program. However, it approves funding this CC Program under the California Alternate Rate for Energy (CARE) Program, as an outreach expense, to the extent that the Cool Centers would provide CARE information materials on its sites.

BACKGROUND

The County of San Diego has established a network of Cool Zone sites in SDG&E's territory where elderly and disabled citizens can obtain relief from summer heat. The County will be partnering with the Salvation Army and SDG&E to publicize the Cool Zones, provide sufficient hours of operation, provide transportation assistance to Cool Zone sites, and provide electric fans to the homebound elderly and disabled. The County has submitted a proposal to SDG&E requesting funds to support the 2004 Cool Zones and Summer Breeze fan drive. SDG&E would like to continue to support the County's efforts to assist low-income elderly and disabled customers and would like to provide the requested funding for 2004. SDG&E requests authority to fund the Cool Centers with \$55,000.

NOTICE

Notice of AL 1584-E was made by publication in the Commission's Daily Calendar. San Diego Gas & Electric states that a copy of the Advice Letter was mailed and distributed in accordance with Section III-G of General Order 96-A.

PROTESTS

SDG&E's Advice Letter AL 1584-E was timely protested by the Office of Ratepayer Advocates (ORA). The following is a more detailed summary of the major issues raised in the protest.

Even though ORA supports the Cool Center Program, it objects to the funding of this program with LIEE funds. ORA points out that the Commission authorizes energy efficiency measure installations and education based on certain cost-effectiveness analyses using methodologies adopted by the Commission. SDG&E has not provided such analyses, and ORA believes that SDG&E's request in this advice letter would divert LIEE funds and would reduce the amount of tested LIEE measures and activities pursued on behalf of low income customers. ORA would rather the Commission and SDG&E seek other sources of funding such that the LIEE programs installation and activities are not diminished.

On May 28, 2004, ORA withdrew its protest to AL 1584-E. ORA indicated that after discussions with SDG&E and Commission staff, ORA recognizes that the need for this program to commence prior to the summer months and the logistics of coordinating this program with the County of San Diego necessitates approval of its request in early June. Given that this program will also be leveraged with other assistance programs and in recognition of the purpose of the program to assist income qualified, older adults, and persons with disabilities, ORA is willing to address the issue of funding source in the LIEE program design and budget application that SDG&E is expected to file in July, 2004

DISCUSSION

Energy Division has reviewed this advice letter, the protest of ORA, the response to that protest by SDG&E and ORA's withdrawal of its protest.

SDG&E believes that public purpose program (PPP) LIEE funds are an appropriate source for these community programs because the programs provide customers with conservation opportunities, energy education, and reduced hardship. SDG&E does not agree with ORA that the Cool Zone programs are LIEE measures for which cost-effectiveness tests must be required by the Commission. Instead, SDG&E perceives these programs as low-income programs under the LIEE umbrella designed to assist low-income, elderly and disabled customers with energy conservation opportunities and reduce hardships resulting from hot weather.

Energy Division commends the Cool Center program but finds that since the Cool Center Program would provide benefits to those who are not LIEE eligible; it should not qualify for LIEE funds. In addition, each LIEE participant is to receive all feasible measures.¹ Receiving energy education only would be in violation of that directive. Since all the uses of LIEE funds are evaluated by a cost effectiveness model with other considerations and approved formally by this Commission. Energy Division recommends that this program be funded under the CARE Program, as an outreach expense, and appropriate CARE information and educational materials be provided on these sites.

On June 16, 2004, in its Advice Letter 1806-E, Southern California Edison Company also has filed for funds to support the Cool Centers in its territory. The Commission will be looking at the results of both the methodology used in this resolution and Edison's proposed methodology to assist the Commission in deciding how to proceed with funding Cool Centers for 2005 in the Program Year 2005 application process underway.²

¹ Comprehensive treatment is required by Public Utilities Code Section 2790(b)(2) and pursuant to Decision 01-05-033.

² On July 1, 2004, in Rulemaking 04-01-006, SDG&E, Southern California Edison Company, Pacific Gas and Electric Company and Southern California Gas Company submitted their Program Year 2005 applications.

COMMENTS

Public Utilities Code section 311(g)(1) provides that this resolution must be served on all parties and subject to at least 30 days public review and comment prior to a vote of the Commission. Section 311(g)(2) provides that this 30-day period may be reduced or waived upon the stipulation of all parties in the proceeding.

The 30-day comment period for the draft of this resolution was neither waived nor reduced. Accordingly, this draft resolution was mailed to parties for comments, and will be placed on the Commission's agenda no earlier than 30 days from today.

In its comments dated June 28, 2004, SDG&E does not oppose the use of CARE program funds to support Cool Centers. Also SDG&E does not take issue with the reporting requirements as outlined. However, SDG&E sees no reason to file a supplemental advice letter since AL 1584-E does not change any of SDG&E's tariffs. In accordance with ALJ Thomas' June 24, 2004 Scoping Memo in Rulemaking 04-01-006, SDG&E will include in its application for its 2005 LIEE and CARE programs a proposal requesting approval of Cool Center funding for the future.

FINDINGS

1. In years 2001 and 2002, SDG&E was authorized by the Commission to provide funding to the County for Cool Zone activities from the one-time appropriation of LIEE funding granted by Senate Bill (SB) 5 from the first extraordinary Session of 2001.
2. In July 2003, the Commission rejected SDG&E's request for funding of Cool Center program under LIEE program funds, submitted via advice letter AL 1476-E.
3. Energy Division finds it reasonable that LIEE funds should not be used for Cool Centers since the benefits will be provided to recipients that are not LIEE eligible.
4. Energy Division finds it more appropriate that this program be funded under the CARE Program as an outreach expense, to the extent the Cool Centers

would provide CARE information, educational materials and application forms for the public at these sites.

5. Energy Division agrees with SDG&E that since AL 1584-E does not change any of SDG&E's tariffs, there is no reason to file a supplemental advice letter within 5 days of approval of this advice letter.

THEREFORE IT IS ORDERED THAT:

1. The request of SDG&E to fund the Cool Centers program from LIEE funding is denied. The Commission orders that these Cool Centers be funded from the CARE Program as an outreach expense. This funding shall not exceed \$55,000.
2. SDG&E shall make a condition of providing this funding to the county of San Diego that CARE applications and outreach materials be provided at each of the sites.
3. SDG&E shall code these CARE applications provided at the Cool Centers and track successful new CARE enrollees resulting from this process
4. SDG&E shall report such enrollment to the Energy Division.
5. Energy Division shall determine the appropriate reporting format and report due dates.
6. This approval is granted on a one-time basis only. Funding sources for future cool centers shall be addressed in the Program Year 2005 application process.

This Resolution is effective today.

I certify that the foregoing resolution was duly introduced, passed and adopted at a conference of the Public Utilities Commission of the State of California held on July 8, 2004; the following Commissioners voting favorably thereon:

WESLEY M. FRANKLIN
Deputy Executive Director

MICHAEL R. PEEVEY
President
CARL W. WOOD
LORETTA M. LYNCH
GEOFFREY F. BROWN
SUSAN P. KENNEDY
Commissioners